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### **INITIATIVE 283**

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 283 to the Legislature is a true and correct copy as it was received by this office.

AN ACT Relating to limiting property taxes; adding a section to chapter 84.55 RCW; amending RCW 84.52.065; repealing RCW 84.55.092; repealing RCW 84.52.065 on January 1, 2007; and creating new sections.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

### **POLICIES AND PURPOSES**

NEW SECTION. **Sec. 1.** The 25% Property Tax Initiative would reduce property taxes 25% for everyone by phasing out the state portion of the property tax over a reasonable and moderate four-year period. This measure would reduce the state property tax levy by 25% in 2003, 50% in 2004, 75% in 2005, 100% in 2006, and repeal the state property tax levy on January 1, 2007. Property tax banking authority would also be repealed. For decades, property taxes have skyrocketed in Washington. Rising property taxes have placed an incredible financial burden on taxpayers, especially working class families and senior citizens. Sky-high property taxes prevent many of our citizens from attaining the American dream of home ownership. Meaningful property tax relief is long-overdue and desperately needed.

**PHASING IN THE 25% PROPERTY TAX INITIATIVE  
OVER A REASONABLE AND MODERATE FOUR-YEAR PERIOD**

NEW SECTION.   **Sec. 2.**   A new section is added to chapter 84.55 RCW to read as follows:

      (1)     The state property tax levy shall be reduced by the following amounts:

          (a)     25.0 percent of the levy amount that would otherwise be allowed under this chapter without regard to this section for taxes levied for collection in 2003;

          (b)     50.0 percent of the levy amount that would otherwise be allowed under this chapter without regard to this section for taxes levied for collection in 2004;

          (c)     75.0 percent of the levy amount that would otherwise be allowed under this chapter without regard to this section for taxes levied for collection in 2005;

          (d)     100.0 percent of the levy amount that would otherwise be allowed under this chapter without regard to this section for taxes levied for collection in 2006.

      (2)     Before applying the reduction in the state property tax levy required by this section, levies shall be set every year at the amount that would otherwise be allowed under this chapter without regard to the prior years' reductions provided for in this section.

      (3)     The people expect the legislature to utilize existing sales tax and business tax revenue for the government programs previously funded with the state property tax levy as explained in Section 6 of this act.

**Sec. 3.**   RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to read as follows:

~~((State levy for support of common schools.~~

~~Subject to the limitations in RCW 84.55.010, in each year the state shall levy for collection in the following year for the support of common schools of the state a tax of three dollars and sixty cents per thousand dollars of assessed value upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.~~

~~As used in this section, "the support of common schools" includes the payment of the principal and interest on bonds issued for capital construction projects for the common schools.~~

State property tax levy - about 25% of a property tax bill

Subject to the limitations in RCW 84.55.010, in each year the state shall levy for collection in the following year a tax of three dollars and sixty cents per thousand dollars of assessed value upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

NEW SECTION.    **Sec. 4.**    RCW 84.52.065 (State property tax levy - about 25% of a property tax bill) and 1991 sp.s. c 31 s 16, 1979 ex.s. c 218 s 1, 1973 1st ex.s. c 195 s 106, 1971 ex.s. c 299 s 25, 1969 ex.s. c 216 s 2, & 1967 ex.s. c 133 s 1 are each repealed.

**REPEALING LOOPHOLE THAT ALLOWS STOCKPILING OF PROPERTY TAXES  
(VOTERS REPEALED IT IN 2000 BUT GOVERNMENTS CONTINUE TO IGNORE  
OUR DECISION)**

NEW SECTION.    **Sec. 5.**    RCW 84.55.092 (Protection of future levy capacity) and 1998 c 16 s 3, 1988 c 274 s 4, & 1986 c 107 s 3 are each repealed.

**LEGISLATIVE INTENT ON GOVERNMENT'S "LOSS OF REVENUE"**

NEW SECTION.    **Sec. 6.**    During these tough economic times, struggling families and senior citizens desperately need and deserve meaningful property tax relief. Because of huge property tax spikes in recent years, for many property owners, this measure will only put property taxes at the same level they were two or three years ago. But we have to start somewhere. Yet, the question by critics will inevitably be "how will government 'afford' it?" This measure increases the take-home pay for working families and senior citizens. They will not put their funds under a mattress; they will spend it to take care of their needs, thus generating sales tax and business tax revenue that will flow into government coffers. In addition, lessening the tax burden will spur economic growth which is critical to government revenues. Because of economic growth, government grows several billion dollars ever year. So by phasing in the 25% Property Tax Initiative over a reasonable and moderate four-year period,

government will continue to grow but simply at a slower rate. The people expect government to, without revenue increases, have the state auditor conduct independent, comprehensive performance audits on every major state and local government agency and program, prioritize and cost-effectively fund services that are necessary government functions, and contract out government services to maximize effectiveness and efficiency.

#### **CONSTRUCTION CLAUSE**

NEW SECTION.     **Sec. 7.**     The provisions of this act are to be liberally construed to effectuate the policies and purposes of this act.

#### **SEVERABILITY CLAUSE**

NEW SECTION.     **Sec. 8.**     If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

#### **EFFECTIVE DATE**

NEW SECTION.     **Sec. 9.**     (1) Section 4 of this act takes effect on January 1, 2007.

(2) Sections 1, 2, 3, and 5 through 9 of this act take effect as provided under Article II, section 1 of the Washington state Constitution.

#### **LEGISLATIVE INTENT**

NEW SECTION.     **Sec. 10.**    The people have made clear through the passage of numerous initiatives and referenda that taxes need to be reasonable and tax increases should always be a last resort. However, politicians throughout the state of Washington continue to ignore these repeated mandates.

Politicians are reminded:

1)       All political power is vested in the people, as stated in Article I, section 1 of the Washington state Constitution.

2)       The first power reserved by the people is the initiative, as stated in Article II, section 1 of the Washington state Constitution.

3) When voters approve initiatives, politicians have a moral, ethical and constitutional obligation to fully implement them. When politicians ignore this obligation, they corrupt the term "public servant."

4) Any attempt to violate the clear intent and spirit of this measure undermines the trust of the people in their government and will increase the likelihood of future tax limitation measures.

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